

WHEN RECORDED RETURN TO:

Brian Head Resorts, Ltd.
P.O. Box 190008
Brian Head, UT 84719

**DEVELOPMENT AGREEMENT
FOR BRIAN HEAD RESORT SKI VILLAGE**

THIS DEVELOPMENT AGREEMENT is entered into as of this ____ day of _____, 2007, by and among BRIAN HEAD RESORTS, LTD. ("Owner") and the TOWN OF BRIAN HEAD, a political subdivision of the State of Utah, as approved by its Town Council and executed by its City Manager (the "Town").

RECITALS:

A. Owner is the owner of approximately nine (9) acres of land and appurtenant real property rights located in Iron County, Utah, which land attached hereto as Exhibit A (the "Property"). The Property consists of the "Powder Run Parcel," as shown on Exhibit A, and the "Giant Steps Parcel," as also shown on Exhibit A. The Property shall be deemed to include any additional land added to the Property as an Administrative Amendment (as defined below). Owner has proposed the development of a new ski village on the Property (the "Ski Village"). The Ski Village will be constructed in several distinct vertical development projects involving subdivisions of land and condominium platting (as described more fully below, the "Projects") within certain predetermined development sites (as described more fully below, the "Project Areas"), while preserving additional areas for permanent recreational or open space uses ("Open Space") and certain areas for skier parking, loading and unloading (respectively, the "Skier Parking Area" and "Skier Loading Area").

B. Owner has applied for certain development approvals with respect to the Ski Village, and the Town has determined that Owner has complied with all the standards and procedures contemplated by the Town of Brian Head General Plan (the "General Plan") and the Town of Brian Head Land Management Code (the "Code") and any applicable Town rules and regulations (the "Regulations") with respect to the required development approvals.

C. Owner and the Town desire to establish certain standards and procedures that will be applied to certain additional administrative approvals contemplated in connection with the development of the Ski Village and the Projects and the construction of improvements located on the Property, to establish certain standards for the phased development and construction of the Ski Village and certain Ski Village improvements, and to address requirements for certain amenities including the Open Space.

D. The Town also recognizes that the development of the Ski Village and the Projects will result in tangible benefits to the Town through the increase of the Town's tax base and the development of recreational amenities that will enhance the economic development efforts and is willing to agree to vest the development of the Ski Village and the Projects pursuant to the

terms of this Development Agreement against future legislative changes in the General Plan, the Code and the Regulations that would be inconsistent with the provisions in this Development Agreement.

E. The Town Council of the Town of Brian Head, acting pursuant to its authority under Utah Code Annotated, Section 10-9a-101, et seq. and the Code, has made certain determinations with respect to the proposed Ski Village and the Projects, and, in the exercise of its legislative discretion, has elected to process and approve the use, density, general configuration and development standards for the Ski Village pursuant to the provisions of the Code, resulting in the negotiation, consideration and approval of this Development Agreement after all necessary public hearings.

TOWN AND OWNER HEREBY AGREE AS FOLLOWS:

1. Approved Use, Density, General Configuration and Development Standards Affecting the Ski Village; Amendments.

1.1 Legal Description of Property. The legal description of the Property included with the Ski Village is attached hereto as Exhibit A-1, which is incorporated into this Development Agreement by this reference. The land covered by this Development Agreement may be increased by up to 20% to include adjacent land owned by Owner in connection with the specific design and approval of Projects, which increase shall be processed as an Administrative Amendment (as defined below). In the event that the legal description of the Property is modified in any approval process, the parties agree to record an amendment to this Agreement reflecting the revised legal description as an amended Exhibit A-1. Except as set forth in the preceding sentence, no other property may be added to the legal description of the Ski Village for purposes of this Development Agreement, except by written amendment to be processed as a Substantial Amendment (as defined below). Except as expressly set forth in this Agreement, this Development Agreement shall not affect any land other than the Property.

1.2 General Description of Ski Village. The Ski Village covered by this Development Agreement land generally shown on Exhibit A located generally nearby and to the north of the existing Town of Brian Head. The Ski Village is proposed to incorporate development sites for a lodge or hotel containing a mix of residential and commercial uses and additional development sites for medium and high density residential uses. The Ski Village meets the requirements for a combination of residential and commercial uses provided in the C-3 zoning district under the Code.

1.3 Development Configuration of Ski Village.

1.3.1 Master Plan. The development configuration of the Ski Village is shown generally on the master concept plan of the Ski Village, a copy of which is attached hereto as Exhibit B-1.

1.3.2 Project Areas, Open Space and Ski Village Facilities. The Master Plan reflects the general location and configuration of certain Project development sites ("Project Areas") and Open Space within the Ski Village, and the general location and configuration of the major access

and circulation roads, trails, and recreational facilities serving the Ski Village. (Such roads, trails and recreational facilities and all utility facilities necessary to serve the Ski Village are referred to herein as the "Ski Village Facilities". The term "Ski Village Facilities" shall exclude any access driveways within specific Project Areas or infrastructure or other facilities serving specific Project Areas. The exact locations and legal descriptions for the Project Areas, the Open Space and the Ski Village Facilities are not required to be provided in connection with the approval of this Agreement. Owner shall have the right to develop or cause the development of the Property in more than one phase and to subdivide portions of the Property from other portions in order to permit the separate development, construction, financing and ownership of any respective phase. The conceptual subdivision plan attached hereto as Exhibit B-2 (the "Master Parcel Plan") contains the approximate location of the parcels anticipated for the phasing of the construction of the Ski Village, including approved alternatives for the configuration of such parcels. The exact locations and legal descriptions for specific Project Areas, parcels of Open Space and any Ski Village Facilities shall be specified initially by Owner at the time Owner proposes the approval of a specific Project subdivision or condominium plat, and all such specific legal descriptions are subject to approval and minor adjustment by the Town as a part of the plat approval processes for specific Projects or Ski Village Facilities, provided, however that such approvals and minor adjustments shall be consistent with the "Vested Development Standards" (defined below) and the vested rights of Owner set forth in this Development Agreement. Specific locations and legal descriptions of the Project Areas, Open Space and Ski Village Facilities so determined and approved shall be deemed incorporated in the Master Plan and this Development Agreement and substituted in place of the more general or any inconsistent descriptions set forth on the Master Plan, the Master Parcel Plan or in this Development Agreement upon such approval by the Town (and the approval by Owner of any adjustments to any such location or legal description proposed by the Town), without an amendment to this Agreement or a formal amendment to the underlying Master Plan, Master Parcel Plan or this Development Agreement.

1.3.3 Project Area Building Configuration and Specific Project Area Facilities.

Attached hereto as Exhibit C-1 are vertical building floor plans for the hotel contemplated to be two of the phases of development on the portion of Giant Steps Parcel within the C-3 zoning district (the "Sample Floor Plans"). The sample floor plans represent an example of building improvements that have received schematic approval, allowing further design and ultimate construction consistent with the Sample Floor Plans, but such Sample Floor Plans are not intended to limit alternative exterior or interior configurations of the buildings to be located on the Giant Steps parcel, provided, however that such configuration on the portion of the Giant Steps parcels within the C-3 zoning district contains sufficient commercial space in combination with residential space to meet the following standard of the Code: _____ **[insert standard from amended C-3 zone]**. The Town acknowledges that the amount and configuration of commercial space shown on Exhibit C-1 conforms to the Code requirements stated in the preceding sentence. The development configuration of buildings and other improvements for Project Areas, including the proposed locations, design and configuration for improvements, Open Space, Skier Parking Area, Skier Loading Area and roadways within Project Areas, may be established by Owner or any successor Owner of a Project Area at the time Owner proposes the approval of a specific Project and shall not be limited by the proposed building configuration shown on Exhibits A, B or C. Without limiting the generality of the foregoing, the proposed Project Area building and improvement configuration shall be subject to approval and minor adjustment by the Town as a part of vertical improvement approval processes for specific

Projects, provided, however that such approvals and minor adjustments shall be consistent with the Vested Development Standards set forth in Exhibit D and the vested rights of Owner set forth in this Development Agreement. In order to permit the design and construction of different real estate products, Owner may use development standards for each Project Area that are different from or in addition to the Vested Development Standards contained in Exhibit D, which different or additional development standards may address such issues as setbacks, building height, parking requirements and other similar standards. Any such Project Area development standards shall be deemed added to the Vested Development Standards and deemed included in Exhibit D of this Development Agreement when approved by the Town in connection with the development of any Project Area within the Ski Village.

1.3.4 Master Plan Modifications. Owner shall generally develop the Property substantially in accordance with the configuration shown on Exhibit B, but shall be permitted to modify the location and size of Project Areas and Open Space areas based on specific market, engineering and architectural analysis undertaken at the time specific Project Areas are proposed for platting and development. Any "Material Master Plan Modification" shall require an "Administrative Amendment" to the Master Plan as that term is defined in Section 1.7.2 below. A "Material Master Plan Modification" is defined as the inclusion on a proposed subdivision plat of a Project Area that does not substantially overlap with the area of the Project Area shown on Exhibit B to this Development Agreement. Any Master Plan modification that does not meet the definition of a Material Master Plan Modification shall be deemed to not require any amendment under Section 1.7 below. Any Master Plan modification not constituting a Material Master Plan Modification and not requiring an amendment under Section 1.7.2 shall be deemed incorporated into the Master Plan upon approval of a subdivision plat for the modified Project Area in the subdivision plat approval process.

1.4 General Description of the Projects. The Ski Village covered by this Development Agreement is intended to be developed into types of uses as are generally described and depicted on Exhibit C. The Ski Village will be developed in Projects, each of which may consist of one or more specific real estate products addressing one or more segments of the real estate market. This Development Agreement includes general descriptions of the uses contemplated for the various Project Sites, references to specific types of real estate products and suggested locations for Projects as shown on Exhibit B. Unless expressly set forth elsewhere in this Development Agreement, such descriptions or references shall not limit the description or nature of any Project that may be proposed for an approved Project Area and shall not limit the particular mix of real estate products that can be included within a Project. The specific mix of residential and commercial real estate products within a Project shall not be subject to review or approval by the Town by reason of any existing or future ordinance of the Town or by reason of this Development Agreement.

1.5 Approved Land Uses and Densities. The approved land uses for the Property are shown on Exhibit C-2. The Sample Floor Plans in Exhibit C also identify approved non-residential uses. The Sample Floor Plans reflect one design concept, which shall not be construed as limiting the density or intensity of development on those Project Areas shown on the Sample Floor Plans. Neither the Ski Village nor any Project Area shall have a minimum density or intensity of development. The maximum permitted intensity of development within the Ski Village and for each Project, calculated based only on above-grade space and not including any structured

parking, shall be 24 units per net acre of land, but not less than 48,000 sellable residential square feet per net acre. The foregoing floor area ratio is inclusive of residential, commercial and common area space. This Development Agreement shall not limit the mix of commercial, residential and common area except as set forth in the following sentence: (i) the Powder Run Parcel shall not contain any commercial space and (ii) the Giant Steps Parcel shall _____ **[insert minimum requirement to comply with new language of C-3 zoning district.]** The actual floor area to be constructed may be limited by required compliance with the Vested Development Standards described in Section 1.6 and set forth in Exhibit D. Notwithstanding any inconsistent provision in this Development Agreement, any reference to a "density unit" shall not be applicable to any determination of the amount of water, sewer or other capacities required for any condominium unit, Project Area or the Ski Village.

1.6 Vested Development Standards. The development and construction of the Ski Village may proceed pursuant to and consistent with the development standards set forth in Exhibit D attached hereto and incorporated into the Development Agreement by this reference (the "Vested Development Standards"), and the terms and conditions of the balance of this Agreement and balance of the exhibits attached hereto. The Vested Development Standards shall include the following standards: The Projects Areas and Projects will not be required to have front, rear or side yard setbacks and will be permitted to have height above natural grade of one hundred (100) feet in on the Giant Steps Parcel and sixty-five (65) feet on the Powder Run Parcel. Further the following parking standards will apply within the Ski Village: Each Project shall be required to have 2 parking spaces for each dwelling unit in excess of 2,000 square feet, 1.5 parking spaces for each dwelling unit of between 1,000 square feet and 2,000 square feet, 1 parking space for each dwelling unit under 1,000 square feet, and no parking spaces specifically allocated to any commercial or common area spaces located within the Giant Steps Parcel. The approval of the Vested Development Standards shall not preclude Owner, in Owner's sole discretion, from utilizing or approving more costly or restrictive standards for all or portions of the Ski Village. In addition, Owner may propose additional development standards for specific Project Areas or types of Project Areas in order to permit the development of the Ski Village to meet current market requirements. Any such Project Area standards shall be deemed added to the Vested Development Standards when approved by the Town in connection with the development of any Project Area within the Ski Village. Owner may propose modifications to existing approved Vested Development Standards to permit the Ski Village to meet market requirements. Such modifications shall be deemed to require Administrative Amendments under Section 1.7. The approval by the Town of such modifications shall not unreasonably be withheld or delay, provided, however that such approval may be withheld if the designated Town planning official finds that such modified standards violate the requirements of any law or regulation applicable to the Ski Village other than the Vested Development Standard that is the subject of the modification.

1.7 Amendments.

1.7.1 Substantial Amendments. Any amendment to this Agreement that alters or modifies the Term of this Agreement, the permitted uses, the approved density or intensity of use, the text of the Development Agreement itself, the requirement of any amenity described herein that is available to the public, provisions for reservation and dedication of land, provisions of the Development Agreement or any approved mechanism that imposes financial obligations on

Owner, the “Master Association” (defined below) or property owners within the Ski Village (including assessments through the Master Association), shall be deemed a “Substantial Amendment” and shall require a noticed public hearing and recommendation by the Planning Commission and a noticed public hearing and decision by the Town Council prior to the execution of such an amendment.

1.7.2 Administrative Amendments. Unless otherwise provided by law, all amendments to this Development Agreement that are not Substantial Amendments shall be deemed “Administrative Amendments” and may be approved and executed without a noticed public hearing, recommendation by the Planning Commission or action by the Town Council. The Town Council shall designate in the approval motion for this Development Agreement a Town planning official and empower that official to make all final Administrative Amendment decisions. Administrative Amendments may be reflected in a written approval or formal written amendment to this Development Agreement. In any event, Administrative Amendments will be deemed approved upon the issuance of the applicable building permit if not covered by a specific, separate approval or a written amendment to this Development Agreement.

1.7.3 Effect of Amendment. Any amendment to this Agreement shall be operative only as to those specific portions of this Agreement expressly subject to the amendment, with all other terms and conditions remaining in full force and effect without interruption.

2. Summary of Town Determinations Relating to the Ski Village.

The Town Council, acting in its legislative capacity, has made the following determinations with respect to the Ski Village, including all findings of fact and law as are necessary to approve the following:

2.1 Town Approvals Relating to the Ski Village.

2.1.1 Development Agreement. This Development Agreement is approved pursuant to the provisions and requirements of Section 4.2.5 of the Code.

2.1.2 Planned Unit Development Approval. The Town has approved the Ski Village and all projects as a part of a Planned Unit Development and has approved all Vested Development Standards not otherwise conforming to the current requirements of the Code pursuant to the Planned Unit Development provisions of Code.

2.1.3 Designated Town Planning Official. The designated Town planning official that is designated to determine Administrative Amendments and to otherwise administer certain provisions of this Development Agreement is the person who holds the position that is responsible to review subdivision plats in the Town, as that position is filled from time to time. The Town may designate another person or the holder of another position by separate resolution of the Town Council without a required amendment to this Agreement.

2.2 Vested Rights and Reserved Legislative Powers.

2.2.1 Vested Rights and Vested Projects. Subject to Section 2.2.2, Owner shall have the vested right to develop and construct the Ski Village, to develop and construct Ski Village Facilities and to develop and construct specific Projects within the Project Areas in accordance with the uses, densities, intensities, general configuration of development and Vested Development Standards described and incorporated in Paragraphs 1.3, 1.4, 1.5, and 1.6 applying the zoning, subdivision, development, growth management, platting, environmental, open space, transportation and other land use plans, laws and regulations (together, the "Land Use Laws") in existence and effective on September __, 2007 (the "Vesting Date") to the extent such existing Land Use Laws are not inconsistent with the terms and conditions of this Development Agreement. Further, subject to Section 2.2.2, Owner shall have the right to have subdivision and condominium plat, architectural plan, building permit and other development or construction applications for Projects within the Ski Village processed and approved in accordance with the procedures and standards set forth in this Development Agreement. Any such Projects so approved shall be deemed vested in accordance with this Section as of the Vesting Date.

2.2.2 Compelling, Countervailing Public Interest. Nothing in this Agreement shall limit the future exercise of the police power of the Town in enacting generally applicable Land Use Laws after the date of this Agreement. Notwithstanding the retained power of the Town to enact such legislation under the police powers, such legislation shall only be applied to modify the vested rights described in Paragraph 2.2.1 based upon policies, facts and circumstances meeting the compelling, countervailing public interest exception to the vested rights doctrine in the State of Utah. (Western Land Equities, Inc., v. City of Logan, 617 P.2d 388 (Utah 1980) or successor case and statutory law). Any such proposed change affecting the vested rights of the Ski Village or any Project shall be of general application to all development activity in the Town of Brian Head; and, unless the Town declares an emergency, Owner shall be entitled to prior written notice and an opportunity to be heard with respect to the proposed change and its applicability to the Ski Village or any Project under the compelling, countervailing public policy exception to the vested rights doctrine. The regulations, ordinances, policies and plans governing the permitted uses, densities, intensities, general plan configuration and Vested Development Standards of the Ski Village or any Project hereby vested shall be the terms and conditions of this Development Agreement, and those Land Use Laws in effect on the Vesting Date that are not inconsistent with the terms and conditions of this Development Agreement.

2.2.3 Duration. The term of this Agreement shall commence on, and the effective date of this Agreement shall be, the effective date of the Ordinance approving this Agreement. The Term of this Agreement shall extend for a period of fifteen (15) years following the effective date unless the Agreement is earlier terminated, or its term modified by written amendment to this Agreement.

2.2.4 Governing Land Use Laws. The respective rights of the parties in the event the Town seeks to apply or enforce Land Use Laws to the Project in a manner that is inconsistent with the terms and conditions of this Development Agreement shall be governed by then existing state and federal land use case law.

2.3 Fees and Exactions.

2.3.1 Development Application and Review Fees. The Project has paid

application and review fees for this Development Agreement and related schematic subdivision and architectural approvals by the Planning Commission. No further fees or engineering expenses shall be charged to Owner for these approvals. Application and review fees for the subdivision plats and other approvals for each phase of the Ski Village and each Project shall be paid at the time of application for any such approval.

2.3.2 Plan Engineering Review Fees. The Town may charge such standard engineering review fees for final or amended subdivision, development or construction approvals for the Ski Village or a Project as are generally applicable on a non-discriminatory basis at the time of application for any such approval.

2.3.3 Other Fees. The Town may charge other fees that are generally applicable, including but not limited to standard building permit review fees for improvements to be constructed on improved parcels.

2.3.4 Certain Impact Fees. In consideration for the agreements of the Town in this Development Agreement, Owner agrees that the Ski Village shall be subject to all impact fees which are (1) imposed at time of issuance of building permits and (2) generally applicable to other property in the Town of Brian Head; and, Owner waives its position with respect to any vested rights under Section 2.2.1 to permit the imposition of such fees after the Vesting Date, but shall be entitled to similar treatment afforded other vested projects if the impact fee ordinance makes any such distinction. If fees are properly imposed under the preceding tests and other requirements of generally applicable federal and state law, the fees shall be payable in accordance with the payment requirements of the particular impact fee ordinance. Notwithstanding the agreement of Owner to subject the Ski Village to impact fees under the above-stated conditions, Owner does not hereby waive Owner's rights under any applicable law to challenge the legality of the amount of the fees within any applicable appeal time period following imposition of the fees to the Ski Village. Such challenge may be based upon generally applicable state and federal laws, including the Rational Nexus test described in the following section.

2.3.5 Rational Nexus Test. For purposes of this Agreement, the Rational Nexus Test shall mean and refer to a standard of reasonableness whereby the Project and Property shall not bear more than an equitable share of the capital costs financed by an impact fee or exaction in relation to the benefits conferred on and impacts of a Project. The interpretation of "rational nexus" shall be governed by the federal or Utah case law and statutes in effect at the time of any challenge to an impact fee or exaction imposed as provided herein including but not limited to the standards of *Banberry Development Corp. v. South Jordan City* or successor case law.

3. Specific Ski Village Requirements.

3.1 Ski Village Documents. Owner shall implement a common plan of development throughout the Ski Village as reflected in a Master Declaration of Covenants, Conditions and Restrictions (the "Master Declaration"). The Master Declaration shall be adopted and applied to the entire Ski Village on or before the recordation of the first residential subdivision plat within the Ski Village. The Master Declaration shall contain provisions authorizing a master association of owners within the Ski Village (the "Master Association") to impose assessments on the owners within Ski Village for the operation, maintenance, repair and replacement of common elements

within the Ski Village including without limitation the private roads, driveways, storm drainage systems, trails, any sidewalks, common recreational facilities, street lighting, signage and other similar common elements benefiting the owners and users of all property within the Ski Village. Without limiting the generality of the foregoing, the Master Declaration shall include provisions requiring the Master Association to provide for snow removal on roads within the Ski Village and to collect reasonable reserves for the periodic replacement of private roadways and other common elements, and such reserves shall be funded as a part of the annual assessment collection process. The Master Declaration shall also impose a design review process on all development activities within the Ski Village not conducted by Owner in order to implement design and landscape guidelines for the Ski Village. The design and landscape guidelines shall include the standards included in the Vested Development Standards. The Master Declaration may also authorize the imposition of transfer fees to fund Open Space maintenance and the other activities of the Master Association, and may also authorize the collection of fees to offset specific costs of the Master Association including without limitation design review, construction management and road damage costs resulting from construction activities of Project developers and property owners. The Master Declaration, the Articles of Incorporation and Bylaws of the Master Association and the final design and landscape guidelines shall be submitted to the Town for review and comment in connection with the approval of the first residential subdivision plat within the Ski Village. Notwithstanding any inconsistent provision in this Development Agreement to the contrary, Owner and the Master Association, and not the Town, shall be obligated to establish, implement and enforce the covenants, assessment procedures, Master Association operation and maintenance requirements relating to the private roads and other common elements of the Ski Village, the design and landscape guidelines and the other requirements of this Section, and any owners of property within the Ski Village shall look solely to the Development and the Master Association, and not the Town, for the establishment, implementation and enforcement of any such requirements.

3.2 Essential Ski Village Facilities. In connection with or prior to the approval of the first residential subdivision plat within the Ski Village, Owner shall have designed and obtained all necessary approvals for the construction and operation of the following Ski Village Facilities to the extent necessary to serve the initial proposed phase of development within the Ski Village: central sewage treatment capacity, central culinary water capacity, central storm drainage capacity (if any offsite capacity is required), and fire flow capacity. In addition, Owner shall have obtained UDOT approval for the proposed access to the Ski Village shown on the Master Plan. Owner's provision of evidence of such approvals shall be a precondition to the approval of the first residential subdivision plats within the Ski Village. Further, Owner shall have set aside an area within the Property for a Skier Drop-off and for Skier Parking providing parking after the completion of the Ski Village for not less than 200 cars.

3.3 Other Ski Village Requirements. [to be developed in approval process]

4. Ski Village Development Processes and Amendment Processes.

4.1 Phases.

4.1.1 Proposed Phases. In connection with or prior to the approval of the first residential subdivision plat within the Ski Village, Owner shall have proposed a phasing plan

reflecting the proposed phases for construction of the Ski Village. For purposes of the phasing plan, a phase shall consist of one or more Project Areas, not necessarily adjacent to each other, which Owner intends to develop and improve during a specified time period. The phasing plan shall describe the essential Ski Village Facilities, services and other improvements necessary for each phase. The phasing plan shall describe the proposed first phase in reasonable detail, specifying the intended densities or a narrow range of intended densities for the parcels in the first phase of the phasing plan. Subsequent phases may be described in a more general way, and Owner may provide alternative development schemes for subsequent phases. Owner may amend the phasing plan from time to time to respond to market conditions.

4.1.2 Permitted Variations on Phasing Plan. The development of the Ski Village shall generally proceed in accordance with the phasing plan so developed. Owner may proceed by constructing each phase at one time, or by constructing portions of a phase, with each portion providing a logical extension of the roads and utilities through the Ski Village; provided, however, that (i) Owner has completed at a minimum those Ski Village Facilities and services improvements identified on the phasing plan as essential for any phase or Project within the Ski Village, and (ii) adequate offsite facilities and services exist to serve each phase or Project or Owner has paid applicable impact, connection, reservation or similar fees so as to provide adequate Ski Village Facilities or services to the extent such payment is required by the terms of this Agreement and applicable impact fee or other applicable ordinances.

4.1.3 Additional Requirements for Subsequent Phases. Owner shall keep the phasing plan updated consistent with changes in the order, location and timing of development within the Ski Village and consistent with providing any Ski Village Facilities necessary to serve the subsequent phase.

4.2 Construction of Infrastructure Improvements. Owner shall construct those improvements indicated on each subdivision plat involving any part of the Ski Village in accordance with the engineering requirements of the Town, the requirements for Ski Village Facilities and any other applicable terms of this Development Agreement.

4.3 Utility Capacity Verification. Owner shall demonstrate the continued availability of the following for the portion of the Ski Village or any Project subject to the subdivision plat approval at the time of each application for final subdivision approval within the Ski Village: (a) sewage treatment capacity to cover anticipated development within the subdivision plat area, (b) water and water pressure adequate for commercial or industrial consumption and fire flows, and (c) capacity for electrical and telephone service.

4.4 Road and Master Development Parcel Approvals. Owner may apply for the approval of roadways within the Ski Village and for the approval of Project Areas as separate development parcels based on metes and bounds descriptions of the roadways and Project Areas. Such approvals shall occur pursuant to the applicable provisions of the Utah Code and need not be accompanied by a subdivision plat meeting the Town's normal plat requirements. Such approval shall permit Owner to sell Project Areas so approved as development parcels to one or more sub-Owners or builders. Any such master parcel subdivision approvals shall not entitle Owner or any sub-Owner or builder to subdivide a parcel further without following normal subdivision and condominium plat approval processes or to construct any improvements on the parcel without

following normal building permit approval processes.

4.5 Plat Approval Processes. Except to the extent inconsistent with the terms of this Development Agreement, the subdivision provisions of the Code as they exist on the Vesting Date shall be applied in connection with any application for development of a Project Area.

4.6 Approval of Final Construction Documents. In conjunction with a final subdivision plat approval, but in all instances prior to the issuance of a building, grading, or other development permit, Owner shall submit all applicable construction plans to the Town for review in accordance with then applicable building codes and the Vested Development Standards and shall otherwise comply with any requirements for the issuance of building permits not inconsistent with the Vested Development Standards. The Town agrees that Owner or any Project Area Owner may apply for permits on a "fast track" basis for any Project (meaning the approvals may be separately applied for and issued for grading, footings and foundations and the balance of improvements). The Town agrees that the Town will process separately any required permits for grading, excavation and site work and further agrees to issue in the ordinary course of its business any building permits that are applied for and that comply with the Development Agreement, the Vested Development Standards and generally applicable building codes to the extent not inconsistent with this Development Agreement or the Vested Development Standards. Prior to the issuance of a permit, Owner or any Project Area Owner shall comply with any such additional requirements of the Town that are applied to all builders and Owners on a non-discriminatory basis and that are not inconsistent with the Development Agreement or the Vested Development Standards.

4.7 Town Subdivision and Permit Review Capability. The Town agrees to use reasonable efforts to staff the building department with a sufficient number of qualified staff to permit the Town to review the subdivision and permit applications for development in the Ski Village within a reasonable time after the applications are filed. The Town may establish and amend from time to time a non-discriminatory fee structure to compensate the Town for the costs of processing the Ski Village's subdivision and permit applications. In light of the limited construction season applicable to the Ski Village, the Town agrees that the following special provisions are appropriate to allow development to proceed in the Ski Village at an appropriate pace while also limiting the Town's need to expand its full- time staff to meet seasonal requirements: If a temporary backlog in the processing of applications within the Town occurs and Owner offers to pay to the Town the full cost of providing one or more qualified outside subdivision and/or building permit reviewers on a temporary basis plus a 10% administrative charge, the Town agrees to retain the services of qualified outside subdivision and/or building permit reviewers as may be necessary to remove any backlog in the processing of subdivision and permit applications for development in the Ski Village. If Owner elects to pay the total cost of hiring one or more such reviewers, the reviewer or reviewers shall be dedicated exclusively to review the subdivision and permit applications for development in the Ski Village, and Owner shall receive a full credit against review and permit application fees otherwise payable for development activity reviewed by the dedicated reviewer or reviewers.

5. Successors and Assigns.

5.1 Binding Effect. This Agreement shall be binding on the successors and assigns of the Owner in the ownership or development of any portion of the Ski Village.

5.2 Transfer of Ski Village. Owner shall be entitled to transfer any portion of the Ski Village subject to the terms of this Development Agreement upon written notice to the Town. Owner also shall be entitled to transfer Owner's entire remaining interest in the Ski Village subject to the terms of this Development Agreement upon written notice to the Town. In the event of any such complete transfer of Owner's interests in the Ski Village, the transferee shall be deemed to be Owner for all purposes under this Development Agreement with respect to that portion of the Ski Village transferred. This Development Agreement shall not restrict a change in the control of Owner.

5.3 Release of Owner. In the event of a transfer of all of the remaining portion of the Ski Village, Owner shall obtain an assumption by the transferee of the Owner's obligations under this Agreement, and, in such an event, the transferee shall be fully substituted as Owner under this Agreement and the Owner executing this Agreement shall be released from any further obligations with respect to this Development Agreement.

5.4 Obligations and Rights of Mortgage Lenders. Owner may finance the Property and may execute one or more mortgages, deeds of trust or other security arrangements with respect to the Property and may assign this Development Agreement to a holder of any such financial instrument without prior written notice to or consent of the Town. The holder of any mortgage, deed of trust, or other security arrangement with respect to the Property, or any portion thereof, shall not be obligated under this Agreement to construct or complete improvements or to guarantee such construction or completion, but shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which it holds an interest. Any such holder who comes into possession of the Property, or any portion thereof, pursuant to a foreclosure of a mortgage or a deed of trust, or deed in lieu of such foreclosure, shall take the Property, or such portion thereof, subject to any pro rata claims for payments or charges against the Property, or such portion thereof, deed restrictions, or other obligations which accrue prior to the time such holder comes into possession. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements provided for or authorized by this Agreement, and, as would be the case in any assignment, the purchaser of the Property from the holder shall be subject to all of the terms and conditions of this Agreement, including the obligation to complete all required improvements.

6. Review, Default, Termination and Disputes.

6.1 Periodic Review. The Town may initiate a formal review of progress pursuant to this Agreement no more often than once every twelve (12) months to determine if there has been demonstrated compliance with the terms hereof. If the Town finds, on the basis of substantial competent evidence, that there has been a failure to comply with the terms hereof, this Agreement may be revoked or modified by the Town in accordance with the provisions of this Agreement, after a public hearing which has been noticed by publication, and for which notice has been expressly provided to Owner. Town's failure to review at least annually Owner's compliance with

the terms and conditions of this Agreement shall not constitute or be asserted by any party as a breach of this Agreement by Owner or Town. The foregoing provisions shall not preclude the Town from taking enforcement action or declaring a default under this Agreement within any 12 month period after a formal review pursuant to the default and enforcement provisions of this Agreement.

6.2 Default.

6.2.1 Events of Default. Owner is in default under this Agreement upon the happening of one or more of the following events or conditions.

(1) If a warranty, representation or statement made or furnished by Owner to the Town is false or proves to have been false in any material respect when it was made.

(2) A finding and determination made by the Town that, upon the basis of substantial evidence, Owner has not complied in good faith with one or more of the terms or conditions of this Agreement.

(3) Any other event, condition, act or omission which materially interferes with the intent and objectives of this Agreement.

(4) Owner shall have failed to submit at least one complete application for a subdivision approval relating to proposed vertical building development within the seven (7) year period after execution of this Development Agreement or during any five (5) year period thereafter within the term of this Agreement.

6.2.2 Procedure Upon Default.

(1) After the occurrence of a default under Section 6.2.1, the Town Council may exercise a right to declare an "Event of Default" by authorizing the Town to give Owner written notice specifying the nature of the alleged default and, when appropriate, the manner in which the Event of Default must be satisfactorily cured. Owner shall have thirty (30) days after receipt of written notice to cure the Event of Default. After proper notice and expiration of the thirty (30) day cure period without cure, Town may terminate or amend this Agreement by giving written notice in accordance with the procedure adopted by the Town. Failure or delay in declaring or giving notice of an Event of Default shall not constitute a waiver of any default by Owner under Section 6.2.1, nor shall it change the time of such default. Notwithstanding the thirty-day cure period provided above, in the event more than thirty days is reasonably required to cure an Event of Default and Owner, within the thirty-day cure period, commences actions reasonably designed to cure the Event of Default, then the cure period shall be extended for such additional period as Owner is prosecuting those actions diligently to completion. Any exercise by the Town of a termination right after notice and opportunity to cure shall be subject to the provisions of Section 6.3 below.

(2) Town does not waive any claim of default in performance by Owner, if on periodic review the Town does not propose to modify or terminate this Agreement.

(3) Any default or inability to cure a default caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other similar causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to the period during which any such event prevented, delayed or stopped any required performance or effort to cure a default.

(4) Adoption of a law or other governmental activity making performance by the applicant unprofitable or more difficult or more expensive does not excuse the performance of the obligation by Owner.

(5) All other remedies at law or in equity which are not inconsistent with the provisions of this Agreement are available to the parties to pursue in the event there is an incurred Event of Default.

6.3 Termination.

6.3.1 Termination Upon Completion of Development. This Agreement may be terminated by agreement of both parties that "Completion of Development" (defined below) has occurred and the last to be satisfied of the Owner's and the Town's obligations under this Development Agreement have been satisfied (except those obligations of the parties which expressly survive the termination of this Development Agreement as provided below). The phrase "Completion of Development" means that (i) all of the Project Areas have received final condominium plat approval, and (ii) all Projects have been fully completed (or permits have been issued for the construction of any such improvements that have not been fully completed. In the event either party believes the requirements of this Section for termination of the Agreement have been met, the party may give to the other party a notice of Completion of Development. The party receiving the notice may disagree with the position of the party giving the notice of Completion of Development by giving a written objection within thirty (30) days after the notice of Completion of Development is received. When the parties are in agreement that requirements of this Section have been met, the Town shall record a notice that the Agreement has been terminated (other than the obligations of the parties which expressly survive the termination of the Development Agreement) by agreement of the parties upon Completion of Development as contemplated by this Section.

6.3.2 Termination Before Completion of Development.

(1) This Agreement shall terminate at the end of its Term unless the Term is extended by the Town Council as a Substantial Amendment.

(2) This Agreement shall be subject to termination by the Town Council prior to Completion of Development when an Event of Default by Owner remains uncured after notice and opportunity to cure as provided in this Article 6. The termination of this Agreement shall be exercised by the Town Council after written notice to all owners of the remaining undeveloped land within the Property and after a public hearing providing an opportunity of all such parties to be heard on the appropriateness of termination. For purposes of Article 6, the

“remaining undeveloped land within the Property” or similar phrase shall refer to all land covered by this Development Agreement that has not been improved and at the time is not the subject of a pending or approved application for a condominium plat, or a pending or approved building permit application.

(3) In the event of a termination pursuant to this Section 6.3.2, the Town shall record a notice against the remaining undeveloped land within the Property indicating that the Agreement has been terminated that further development activity shall be governed by the provisions of Section 6.3.3 of this Agreement and terms of the Code as it then exists and is thereafter amended from time to time.

6.3.3 Effect of Termination on Future Land Uses.

(1) Notwithstanding the termination of this Agreement for any reason, any portion of the Property that is improved in accordance with this Agreement and the subdivision and other approvals contemplated hereby shall be entitled to be used and improved, and any improvements located or permitted to be located thereon at the time of termination shall be entitled to be constructed, used, remodeled and reconstructed in accordance with the provisions of this Agreement. The foregoing provisions shall apply even if such use or the improvements authorized by this Agreement do not conform to the requirements of otherwise applicable Town laws and regulations at the time.

(2) Notwithstanding the termination of this Agreement for any reason, any portion of the Property that is the subject of a pending or approved application for a subdivision or condominium plat approval shall be entitled to be processed, approved or not approved, used and improved, and any improvements located or permitted to be located thereon at the time of termination shall be entitled to be constructed, used, remodeled and reconstructed in accordance with the provisions of this Agreement provided the owner of the portion of the Property that is the subject of the application proceeds in a commercially reasonable manner to finalize necessary approvals and thereafter proceeds in a commercially reasonable manner to commence and complete the improvements required by the application. The foregoing provisions shall apply even if such use or the improvements authorized by this Agreement do not conform to the requirements of otherwise applicable Town laws and regulations at the time.

(3) The benefits extended by preceding subparagraphs (1) or (2) shall apply to the uses and structures permitted at the time of the termination to be constructed on lots or parcels approved and subdivided under subparagraphs (1) or (2) above, regardless of when an application for a building permit is submitted for structures on any such lot or parcel.

(4) Owner does not waive any rights Owner may have to assert the vested right to develop the Property after the expiration of the Development Agreement under then applicable laws or regulations.

6.3.4 Effect of Termination on Owner Obligations. Termination of this Agreement as to any Owner of the Property or any portion thereof shall not affect any of such Owner's obligations to comply with the terms and conditions of any applicable zoning, or subdivision plat, site plan, building permit, or other land use entitlements approved with respect to

the Property, nor shall it affect any other covenants or any other development requirements specified or created pursuant to this Agreement. Termination of this Agreement shall not affect or invalidate in any manner the obligation of Owner to complete Ski Village Facilities, subdivision and other improvements covered by any issued permit (including permits issued after the termination of this Agreement based on vested applications or the provisions of Section 6.3.3), which obligation shall survive the termination of this Agreement.

6.3.5 Effect of Termination on the Town Obligations. Upon any termination of this Agreement, the entitlements, conditions of development, limitations on fees, and all other terms and conditions of this Agreement shall no longer be vested by reason of this Agreement with respect to the remaining undeveloped land within the Property except to the extent set forth in Section 6.3.3. The remaining undeveloped land within the Property may thereafter be subject to then existing planning and zoning law to the extent not inconsistent with Section 6.3.3. Upon such a termination, the Town shall no longer be prohibited by this Agreement from making any changes or modifications to such entitlements, conditions, or fees applicable to such undeveloped portions of the Property subject to the effect of Section 6.3.3. The Town shall remain obligated after termination of this Agreement to recognize and apply the provisions of Section 6.3.3, which incorporates the use, density, development standards and configuration contained in this Development Agreement under the circumstances described therein.

6.3.6 Damages upon Termination. Except with respect to just compensation and attorneys' fees under this Agreement and the enforcement of the terms hereof, Owner shall not be entitled to any damages against the Town upon the unlawful termination of this Agreement.

6.4 Disputes. In the event that a dispute arises in the interpretation or administration of this Agreement or if the default mechanism contained herein shall not resolve a default under this Agreement, then prior to taking any action to terminate this Agreement and subject to the right of the Town to exercise enforcement of its police powers in the event Owner is in direct violation of a provision of this Agreement or of any otherwise applicable law or regulation not inconsistent with this Agreement, every continuing dispute, difference, and disagreement shall be referred to a single mediator agreed upon by the parties, or if no single mediator can be agreed upon, a mediator or mediators shall be selected from the mediation panel maintained by the United States District Court for the District of Utah in accordance with any designation process maintained by such court. The parties shall mediate such dispute, difference, or disagreement in a good faith attempt to resolve such dispute, difference or disagreement. The mediation shall be non-binding.

6.5 Institution of Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default or breach, to specifically enforce any covenants or agreements set forth in the Agreement or to enjoin any threatened or attempted violation of the Agreement; or to obtain any remedies consistent with the purpose of the Agreement. Legal actions shall be instituted in the Fifth Judicial District Court of the County of Iron, State of Utah, or in the Federal District Court for the District of Utah.

6.6 Other Enforcement Provisions. The parties to this Agreement recognize that the Town has the right to enforce its rules, policies, regulations, ordinances, and the terms of this Agreement by seeking an injunction to compel compliance with the terms of this Agreement. In the event that Owner or any user on the subject property violates the rules, policies, regulations or

ordinances of the Town or violates the terms of this Agreement, the Town may, without seeking an injunction and after ten (10) days written notice to correct the violation, take such actions as shall be deemed appropriate under law until such conditions have been honored by Owner. The Town shall be free from any liability arising out of the exercise of its rights under this paragraph.

7. Relationship Between the Parties; No Town Financial Responsibility.

7.1 Relationship of Parties. The contractual relationship between the Town and Owner arising out of this Agreement is one of independent contractor and not agency. This Agreement does not create any third party beneficiary rights. It is specifically understood by the parties that: (a) the Ski Village is a private development; (b) Town has no interest in or responsibilities for or duty to third parties concerning any improvements to the Property unless the Town accepts dedication, ownership or maintenance of the improvements pursuant to a specific written agreement providing for acceptance of dedication, ownership or maintenance (neither platting nor plat approval shall be deemed to constitute such a written agreement in the absence of specific language accepting dedication, ownership or maintenance); and (c) Owner shall have the full power and exclusive control of the Property subject to the obligations of Owner set forth in this Agreement.

7.2 No Town Financial Responsibility. This Development Agreement has been approved at the request of Owner and grants Owner certain rights, including without limitation the vested right to develop the Property in accordance with the provisions hereof. In consideration for that vested right to develop the Property in accordance with the provisions hereof, Owner has agreed that the Town shall not be financially responsible for the development, construction or operation of the Ski Village. The foregoing shall not be construed to relieve the Town from obligations and responsibilities the Town has to all of its residents including without limitation the subdivision plat and building permit review responsibilities and services referred to in this Agreement and generally applicable public safety and health services.

7.3 Mutual Releases. At the time of, and subject to, (i) the expiration of any applicable appeal period with respect to the approval of this Agreement without an appeal having been filed or (ii) the final determination of any court upholding this Agreement, whichever occurs later, and excepting the parties' respective rights and obligations under this Agreement, Owner, on behalf of itself and Owner's partners, officers, directors, employees, agents, attorneys and consultants, hereby releases the Town and the Town's council members, mayor, manager, other officials, employees, agents, attorneys and consultants, and the Town, on behalf of itself and the Town's council members, mayor, manager, other officials, employees, agents, attorneys and consultants, hereby releases Owner and Owner's partners, officers, directors, employees, agents, attorneys and consultants, from and against any and all claims, demands, liabilities, costs, expenses of whatever nature, whether known or unknown, and whether liquidated or contingent, arising on or before the date of this Agreement in connection with the application, processing or approval of applications relating to the Ski Village or any Project.

7.4 Hold Harmless.

7.4.1 Agreement of Owner. Owner agrees to and shall hold the Town, its officers, agents, employees, consultants, attorneys, special counsel and representatives harmless

from liability for damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including health, and claims for property damage which may arise from the direct or indirect operations of Owner or its contractors, subcontractors, agents, employees or other persons acting on their behalf which relates to Alpine Creek or the actions of Owner taken pursuant to or the failure of Owner to comply with the terms of this Development Agreement. Any such action shall be referred to as an “indemnified claim.” Owner agrees to pay all costs for the defense of the Town and its officers, agents, employees, consultants, attorneys, special counsel and representatives regarding any indemnified claim. This hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered or alleged to have been suffered by reason of the events referred to in this section regardless of whether or not the Town prepared, supplied or approved this Agreement, plans or specifications, or both, for the Ski Village or an Project. Town may make all reasonable decisions with respect to its representation in any legal proceeding relating to an indemnified claim.

7.4.2 Exceptions to Hold Harmless. The agreements of Owner in Section 7.4.1 shall not be applicable to (i) any claim arising by reason of the negligence or intentional actions of the Town, or (ii) any claim reserved by Owner for itself or any owner of any portion of the Property under the terms of this Agreement for just compensation or attorney fees.

7.4.3 Hold Harmless Procedures. The Town shall give written notice of any claim, demand, action or proceeding which is the subject of Owner’s hold harmless agreement as soon as practicable but not later than 10 days after the assertion or commencement of the claim, demand, action or proceeding. In the event any such notice is given, the Town shall be entitled to participate in the defense of such claim. Each party agrees to cooperate with the other in the defense of any claim and to minimize duplicative costs and expenses.

8. General Terms and Conditions.

8.1 Agreements to Run with the Land. This Agreement shall be recorded against the Property as described in Exhibit A-1 hereto. The agreements contained herein shall be deemed to run with the land and shall be binding on all successors in the ownership of the Property.

8.2 Construction of Agreement. This Agreement should be construed so as to effectuate the public purpose of implementing long-range planning objectives, obtaining public benefits and protecting any compelling, countervailing public interest while providing reasonable assurances of continuing vested development rights.

8.3 Laws of General Applicability. Where this Agreement refers to laws of general applicability to the Property or the Ski Village and other properties, this Agreement shall be deemed to refer to other developed and subdivided properties in the Town of Brian Head, Utah.

8.4 State and Federal Law. The parties agree, intend and understand that the obligations imposed by this Agreement are only such as are consistent with state and federal law. The parties further agree that if any provision of this Agreement becomes, in its performance, inconsistent with state or federal law or is declared invalid, this Agreement shall be deemed

amended to the extent necessary to make it consistent with state or federal law, as the case may be, and the balance of the Agreement shall remain in full force and effect.

8.5 No Waiver. Failure of a party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such party to exercise at some future time said right or any other right it may have hereunder. No officer, official or agent of the Town has the power to amend, modify or alter this Agreement or waive any of its conditions as to bind the Town by making any promise or representation not contained herein.

8.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, whether oral or written, covering the same subject matter. This Agreement may not be modified or amended except in writing mutually agreed to and accepted by both parties to this Agreement.

8.7 Attorneys Fees. Should any party hereto employ an attorney for the purpose of enforcing this Agreement, or any judgment based on this Agreement, for any reason or in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, including appeals or rehearings, and whether or not an action has actually commenced, the prevailing party shall be entitled to receive from the other party thereto reimbursement for all attorneys' fees and all costs and expenses. Should any judgment or final order be issued in that proceeding, said reimbursement shall be specified therein.

8.8 Notices. All notices hereunder shall be given in writing by certified mail, postage prepaid, at the following addresses:

To the Town:

Town of Brian Head
c/o Town Manager
P.O. Box ____
Brian Head, UT 84719

With copies to:

To Owner:

Brian Head Resorts, Ltd.
c/o Burke Wilkerson
P.O. Box 190008
Brian Head, UT 84719

With copies to:

Thomas A. Ellison
Stoel Rives LLP
201 South Main #1100
Salt Lake City, UT 84111

8.9 Applicable Law. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Utah.

8.10 Execution of Agreement. This Agreement may be executed in multiple parts as originals or by facsimile copies of executed originals; provided, however, if executed and evidence of execution is made by facsimile copy, then an original shall be provided to the other party within seven (7) days of receipt of said facsimile copy.

IN WITNESS WHEREOF, this Agreement has been executed by the Manager of the Town of Brian Head, acting pursuant to Ordinance No. _____, approved by the Brian Head Town Council authorizing such execution, and by a duly authorized representative of Owner as of the above-stated date.

TOWN:

TOWN OF BRIAN HEAD

By: _____

ATTEST:

Town Clerk

STATE OF UTAH)
 : ss.
TOWN OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by Bryce Haderlie, the Town Manager of the Town of Brian Head.

NOTARY PUBLIC

Residing at: _____

My Commission Expires:

OWNER:

BRIAN HEAD RESORTS, LTD.
By BHR, Inc., its General Partner

By: _____
James F. Trees
President

STATE OF _____)
: ss.
TOWN OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by James F. Trees, the President of BHR, Inc., general partner of Brian Head Resorts, Ltd.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

EXHIBIT A
PROPERTY MAP

EXHIBIT A-1
LEGAL DESCRIPTION

EXHIBIT B-1
MASTER PLAN

EXHIBIT B-2
MASTER PARCEL PLAN

EXHIBIT C-1
SAMPLE BUILDING FLOOR PLANS

EXHIBIT C-2
VESTED LAND USES

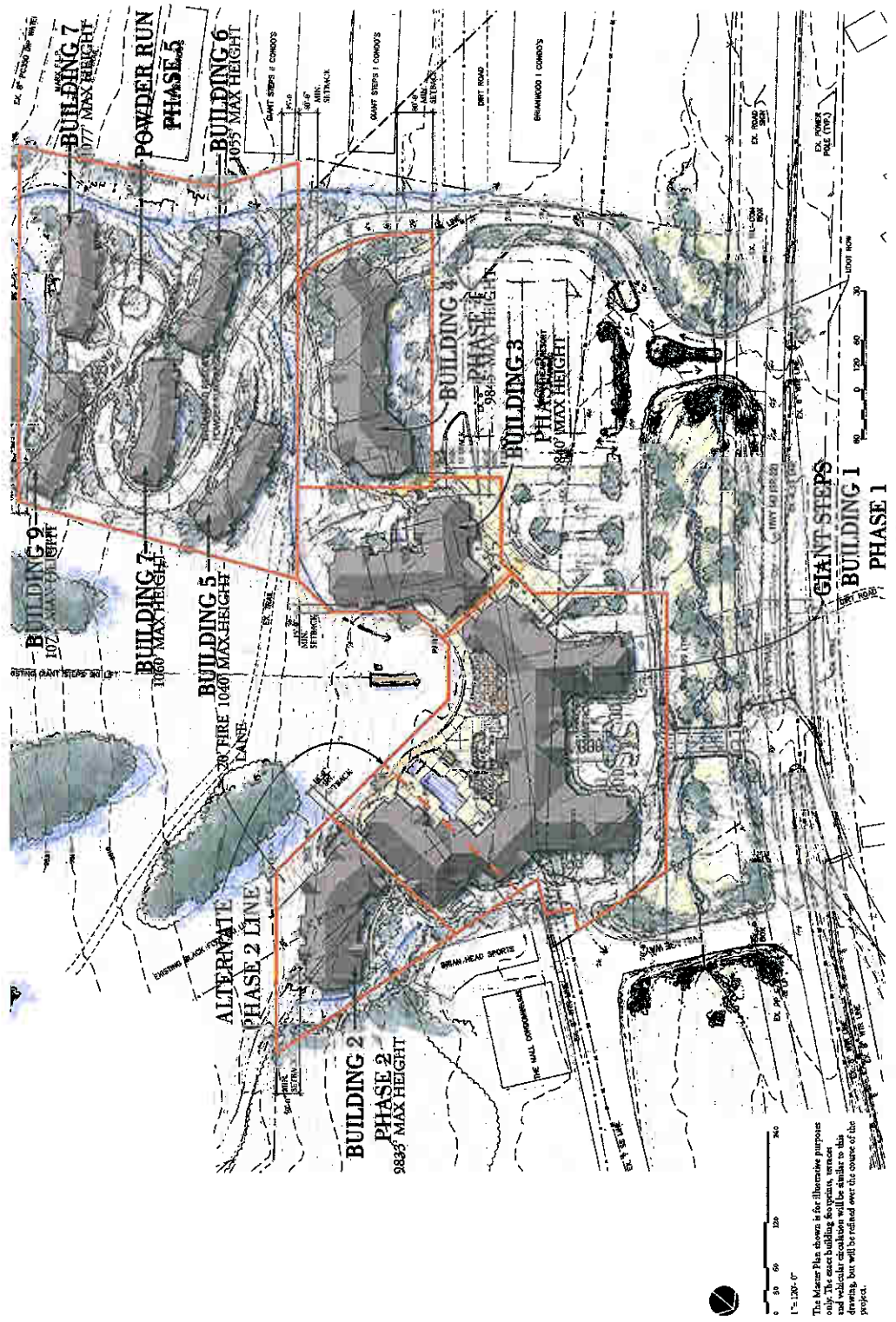
EXHIBIT D
VESTED DEVELOPMENT STANDARDS

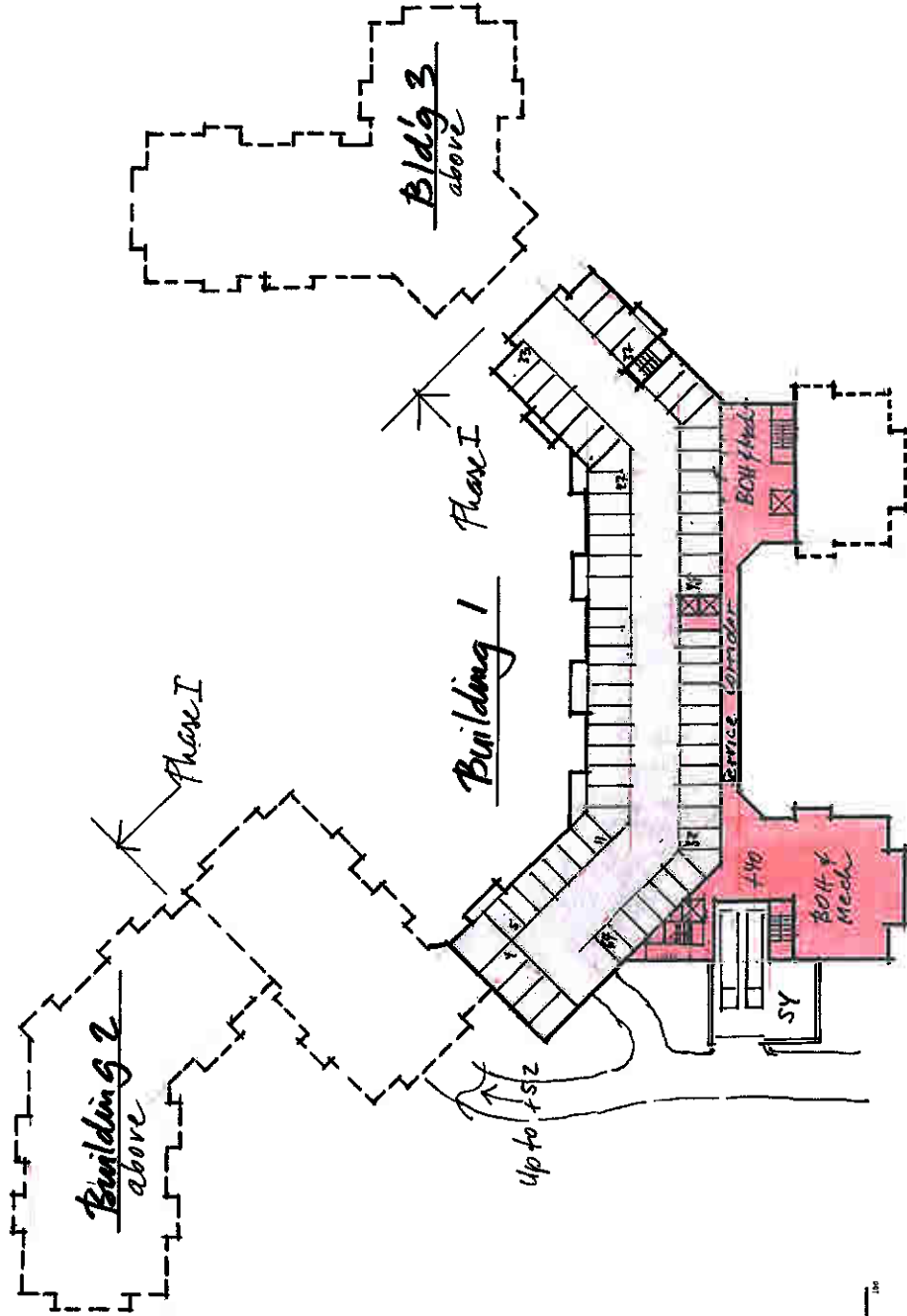


HART HOWERTON



Master Plan Exhibit B-1
August 21, 2007

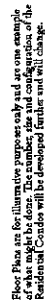


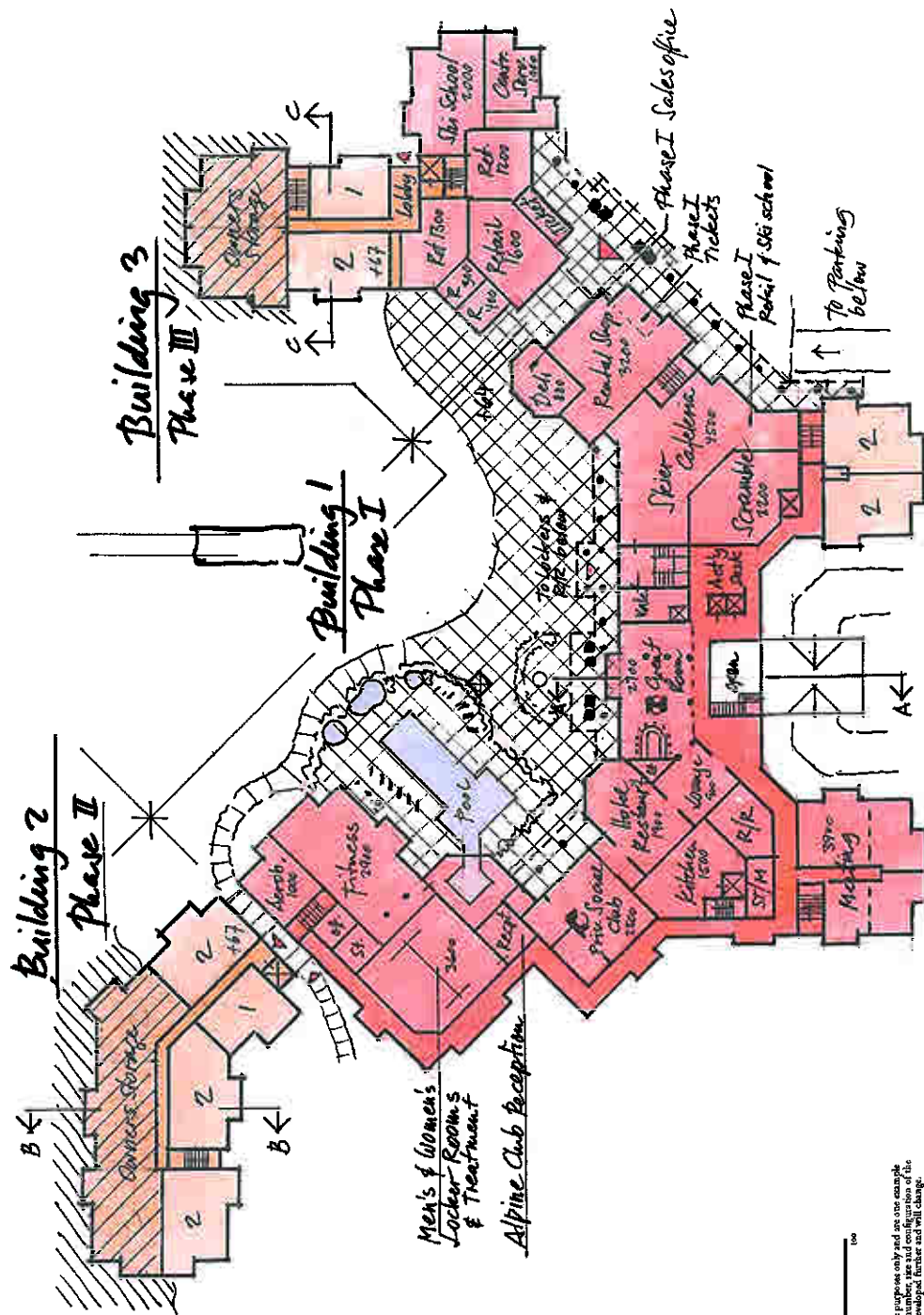


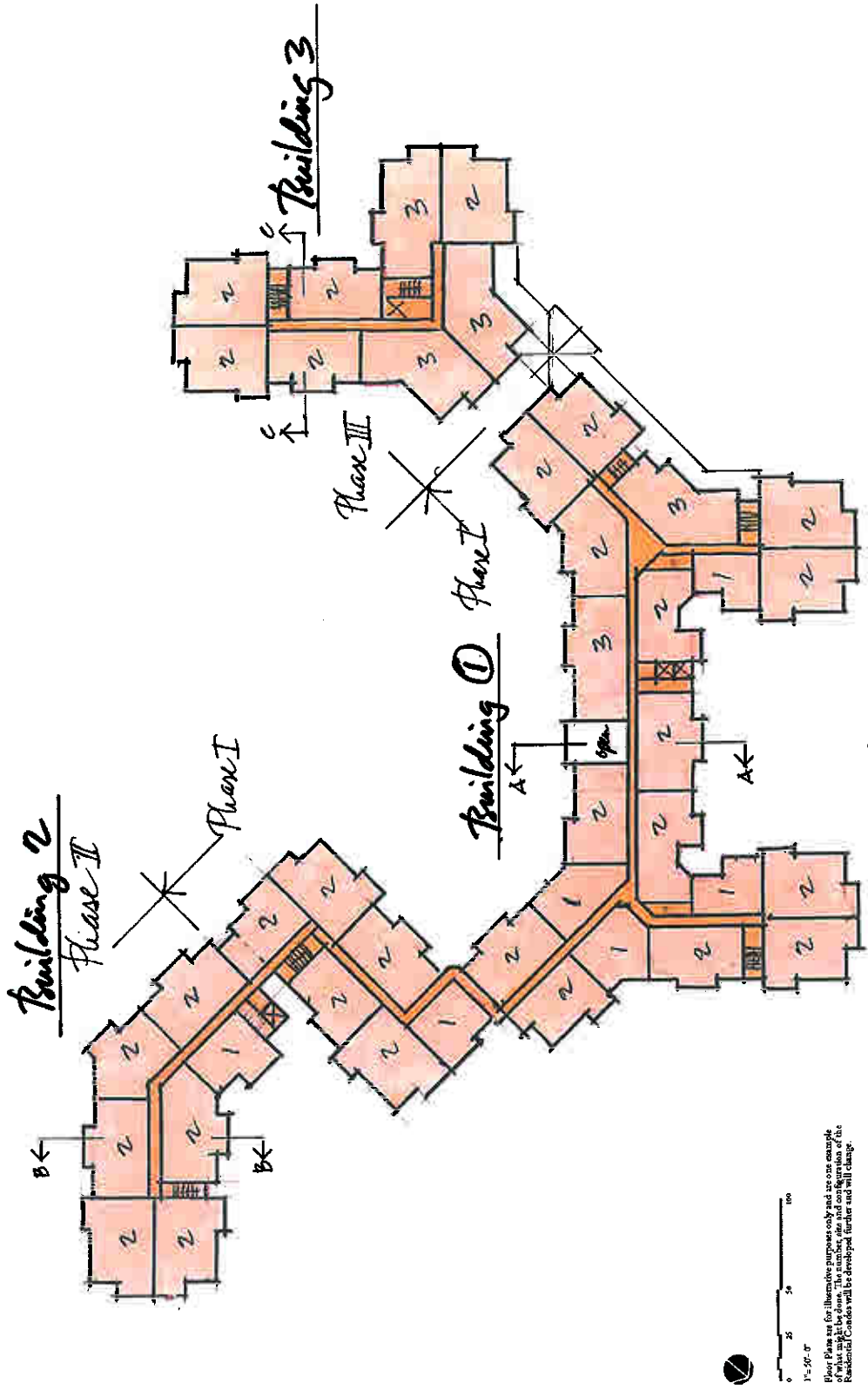
1" = 50'-0"

0 25 50 100

Floor Plans are for illustrative purposes only and are not a substitute for what might be done. The number, size and configuration of the building's rooms will be developed further and will change.





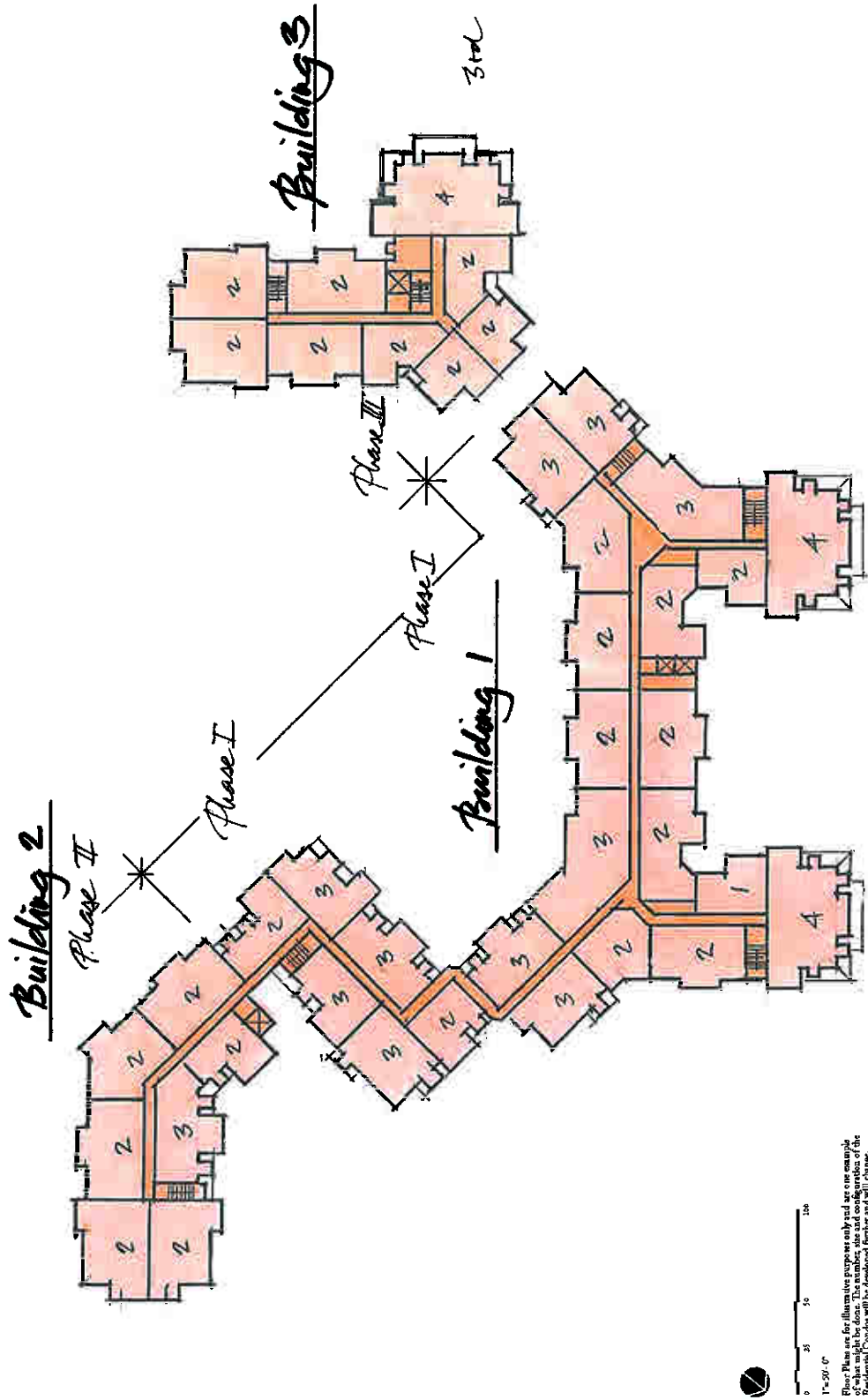


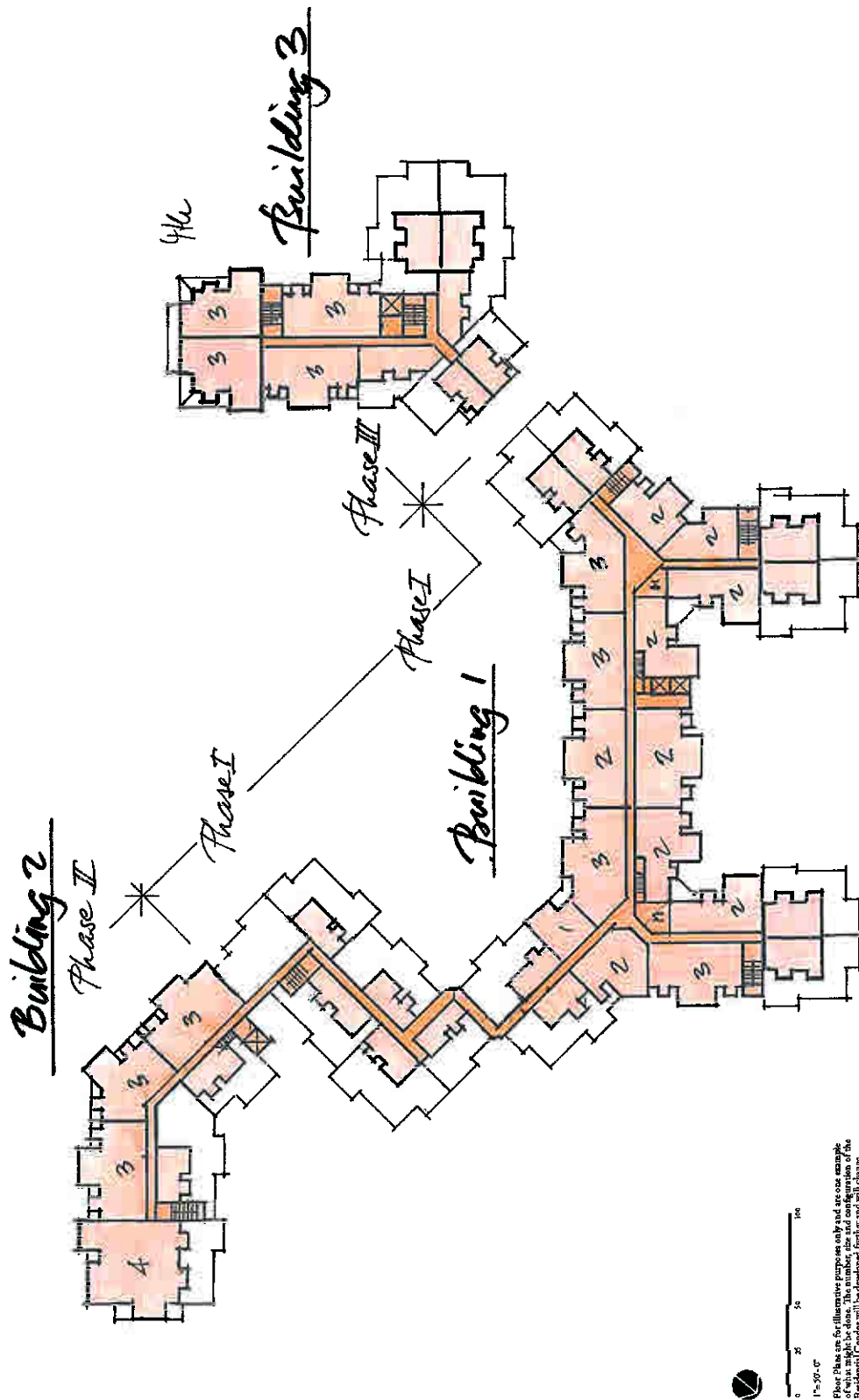
These plans are for illustrative purposes only and are not a substitute for the actual plans. The architect, designer and contractor are responsible for the accuracy of the plans and the construction of the building.

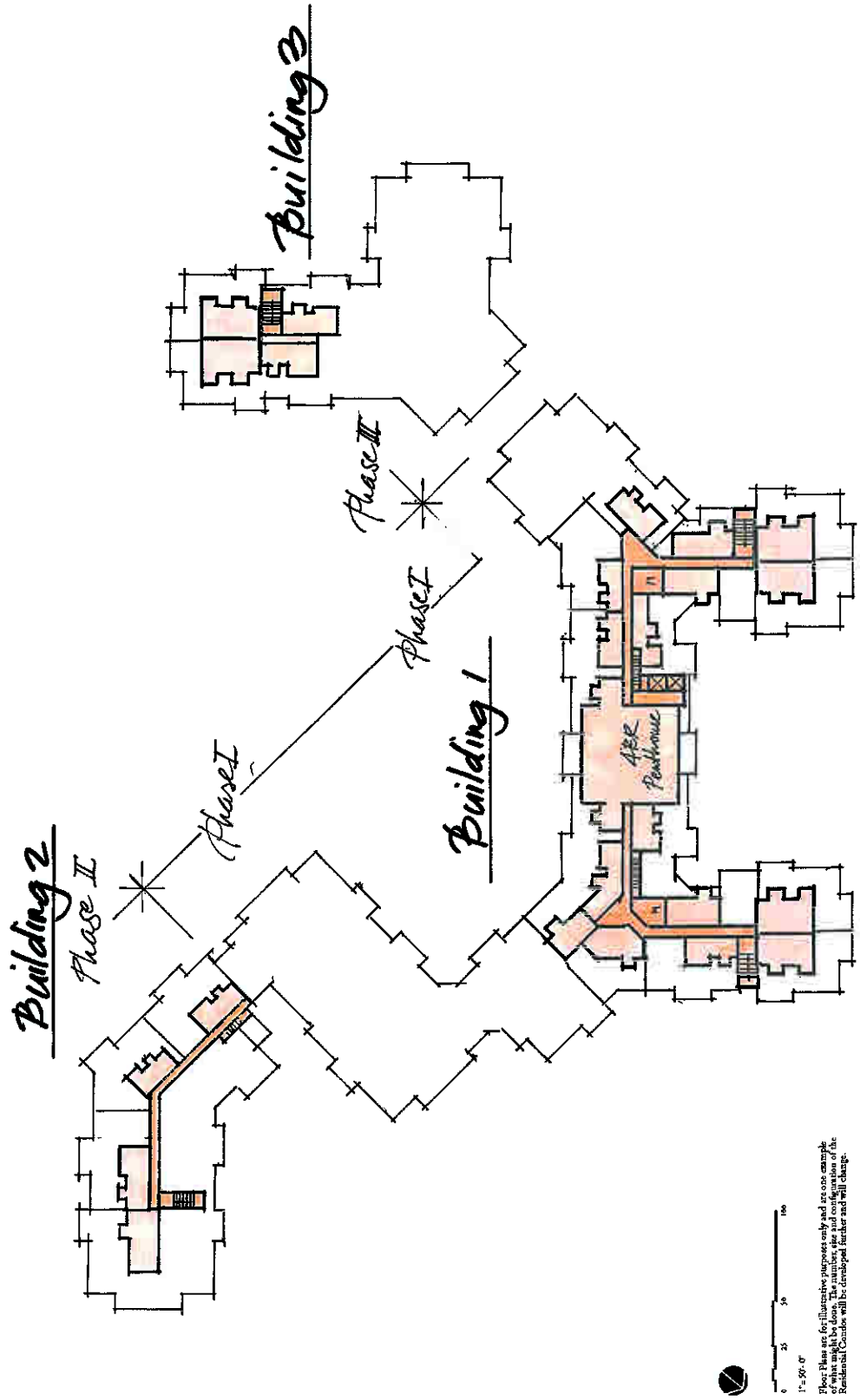
HART HOWERTON

Princess Resort
RESORT

Second Floor - Exhibit C-1
August 21, 2007







Robert L. Hart, AIA, AICP
David P. Howerton, ASLA, AICP
Paul D. Milton
Craig Roberts
A. James Tinson, AIA

311 Main Street
P.O. Box 483
Park City, UT 84060
Tel: 435 655 8120 Fax: 435 655 8124
www.harthowerton.com

“EXHIBIT D”

BRIAN HEAD RESORT – SKI VILLAGE PRELIMINARY DEVELOPMENT STANDARDS 8-21-07

Giant Steps and Powder Run Parcels

I. EXTERIOR AND PUBLIC SPACE QUALITY STANDARDS

The following outlines the general level of quality standards for design of buildings at the Giant Steps Ski Village area and the related Powder Run site. This document will be supplemented with a more comprehensive set of Development Standards, which will expand upon this outline with the specific requirements under each section consistent with, but further developed than this Document.

1.0 Site and Landscape Standards

The intent of the standards is to preserve and enhance the beauty of the mountain landscape character at Brian Head and accommodate the functional needs of a new base village. The following outlines the standards for landscape, grading and site design work to accomplish that objective.

1.1 The Overall Landscape

Brian Head Village is a diverse mountain environment characterized by aspen and conifer forests. The forests are interrupted by natural meadows and glades and man-made ski runs. The intent of the Master Plan is to maintain the diversity, but to enlarge and or extend the mountain forest setting by preserving forested areas and tree stands where possible, building within the existing tree masses and installing new tree plantings to reforest open areas.

1.2 Grading

Grading will be designed as a combination of balanced cuts and fills, using retaining walls where necessary to protect stands of trees and blend into, and or

appear to be extensions of existing natural land forms. Cut and fill slopes will not exceed 2:1, except for those areas where the natural existing grade is steeper than 2:1. Whenever possible, natural slopes are to be used instead of structures. Cut and fill slopes are to be re-vegetated with native plant materials and blended into the surrounding environment. Slope stabilization methods will be required on all slopes greater than 2:1.

1.3 Retaining walls

Site walls are to be built of approved boulders or laid stone of coordinated type and style, used in traditional patterns, reinforced and or backed with concrete where required. Railroad tie walls will not be permitted. Any walls in excess of 4 feet in height are to be designed by a professional engineer registered in the state of Utah. The top of walls will be shaped to blend with natural contours. Ends of walls shall not be abrupt, but are to be designed to make natural-looking transitions into the existing land forms and vegetation. Walls are to be designed with a stepped batter.

1.4 Drainage Systems

Drainage ways are to be designed by a professional engineer registered in the state of Utah. In general, natural drainage courses are to be protected and existing drainage patterns maintained. New drainage ways are to be designed to appear and function like natural drainage ways.

1.5 Entries, Driveways, and Drop-Off Zones

Driveways are to be built of asphalt paving, approved stone, approved integrally colored poured concrete, or approved unit pavers. Where curbs are required for drainage purposes or traffic control, they will be of colored concrete or approved stone. Colors and finish of paving and curb materials are to be selected to blend the new construction into the surrounding earth colors. Heated driveways are required if greater than 10% slope. Maximum gradient on driveways shall not exceed 12%.

1.6 Stone

All stone, if used in the landscape, is to be similar in color, texture, and style to the approved stone used in the multi-family buildings and selected and placed to blend in naturalistic ways with the site.

1.7 Exterior Service Areas / Satellite Dishes

Trash disposal, dumpsters, outdoor work areas and outside equipment including satellite dishes, are to be completely screened from off-site views and, as appropriate, made inaccessible to wildlife by using architectural features integrated into the building design and or the site walls.

Proper garbage disposal is required to prevent wildlife from destroying property and or posing a threat to residents and their pets. Dumpsters and individual trash cans

shall be of a CDO approved bear-proof design.

1.8 Site Utilities

Site utilities are to be installed underground on alignments that minimize grading, tree cutting and other disruption of the site. Utility boxes, meters, and other utility facilities are to be located and or screened to be essentially not visible from nearby roads, ski-runs, pedestrian walkways and plazas.

II. ARCHITECTURAL CHARACTER

The intent at Brian Head is to encourage creativity and at the same time maintain a unified and harmonious character that fits within the distinctive mountain setting. Buildings are to respond to the climate and to the unique features of the site. All improvements are to be integrated with the overall setting and be consistent with Brian Head Resort's approach to design.

2.0 National Parks Architectural Inspiration

Inspired by the National Parks approach to design, the new Brian Head architecture would be characterized by the following:

- Fine craftsmanship and traditional building techniques
- High style rusticity using natural wood and stone materials
- Forms and materials that relate to the natural structures of the surrounding landscape
- Big, sheltering roofs that are the dominant form of the building
- Massive stone foundations that anchor the building to the land and blur the line between structure and site
- Fragmented roof forms and skylines that step to follow the topography
- Predominantly hipped roof forms on the main roof with open gables on intersecting secondary roof forms
- Shed dormers and open gable dormers
- Building exteriors designed to visibly express traditional log, timber and stone structural systems including columns, beams and brackets at building walls and balconies; and, beams, purlins, trusses, brackets, corbels and rafter rails at roof structures

- Large logs and timbers for all visible structural elements
- Stone materials selected that resemble the natural stone utilized on the Brian Head Skier's Bridge will be used throughout the Giant Steps Village and Powder Run area
- All visible wood surfaces to be stained with transparent stains that expose and enhance the natural imperfections and character of the wood
- Building roof forms, massing, composition and fenestration patterns inspired by National Park Lodges such as the Bryce Canyon Lodge, Zion Park's original Lodge and the Grand Canyon Lodge at the North Rim
- Arts and crafts influences to window patterns
- Strong visual connections between interior and exterior spaces at the ground floor common areas
- Deep roof overhangs and deep shading at windows
- Use of heavily textured materials and articulated building facades, deep roof overhangs, and fragmented building forms to create deep shadow patterns helping to blend the building better with the landscape
- Interiors of common areas such as Great Rooms, Dining Room, Entries and other public areas should exhibit a high style rusticity and sophistication in the detailing of stone and wood work consistent with the National Parks Lodges and an Arts and Crafts approach to design
- Projecting porches, decks or balconies may be supported on log, stone or timber supporting structures no more than one story in height above the stone base. In some instances taller support structure may be permitted. The undersides of all projecting elements are to receive finished architectural treatment

2.1 Building Height

The building height shall be measured per the Brian Head Land Management Code which follows:

"The vertical distance, above a reference point, measured to the highest point of the structure. The reference point shall be the elevation of the natural grade directly below the high point of the structure. The natural grade elevation shall be determined by

topographic elevations surveyed before construction and submitted with the building permit application. In the absence of pre-construction elevations, the natural grade shall be reconstructed by connecting the contour lines (on a drawing) through the building,

from a distance of five feet outside the building wall. The Maximum Building Height in each zone shall be as an imaginary net that is suspended the specified distance above and parallel to the natural grade. Two feet for chimneys may extend above this imaginary net.”

Maximum height within the Ski Village at the Giant Steps parcel will be limited to 100’ maximum. The maximum height limit within the Powder Run parcel will be per the current R-3 limits listed in the Land Management Code.

The intent is to create building roof forms and skylines that are appropriately fragmented, with foundations and roof lines stepping to follow existing slopes. Roof lines are to step down at the ends of the buildings in order to help integrate buildings with the site.

2.2 Building Forms

Buildings shall be composed vertically of three elements.

1. Foundation walls are to merge with the ground plane expressed as structural stone walls, generally, one story or less in height and in some places where grades drop off, up to one-and-one-half stories. They may include habitable space requiring large window openings. The intent is to obscure the line of demarcation between structures and natural topography
2. Building walls on top of stone foundations are not to exceed three stories in height unless there is an off-set or break in wall material and may be expressed as log, timber or wood siding.
3. Roof forms, which include hipped roofs, gable ends, and dormers, shall be the dominant element of the building.

In summary, the intent is to produce buildings that reflect the scale and drama of the mountain setting, with large sheltering roofs that are rustic and warm in appearance supported by large over-scaled vertical structural elements (log walls, columns, stone piers), which in turn rest on strong foundations that merge with the land.

2.3 Building Masses and Facades

Building masses are to be composed of clusters of building forms fitted to the topography and natural surroundings. Building bulk is to be articulated into forms with dimensions that express interior uses and / or a group of related rooms emphasizing vertical organization of facades with some horizontal building elements, and linking buildings with landscape features such as walls, plantings, patios and or terraces.

Adjoining multi-family buildings are to be designed to relate with each other and not contrast. The intent is to create a varied but unified street scene and village setting.

2.4 Building Materials and Construction Techniques

Materials and construction techniques are to be high quality, durable and proven in similar mountain applications. Roofs are to be designed to keep snow on the roof.

Manufactured and industrial building materials are to be minimized. Large smooth surfaces and long straight lines are to be avoided. Metals, such as brass and wrought iron may be used in typical arts-and-crafts connections for fastenings and decorative purposes only.

2.5 Roof Design

Roofs are to be open gable or hipped forms with slopes of 6:12 to 12:12. Roofs of lesser slopes may be approved in very limited areas.

Long roof overhangs are to be incorporated. Roof designs are to express traditional log or timber construction such as trusses, braces, brackets, and column spacing to keep the appearance of unsupported spans and cantilevers consistent with the structural properties of the visible logs and or timbers.

Roofing materials are to be wood shakes or an approved artificial material that very closely resembles wood shakes.

Roof colors are to be weathered shakes in grays, or browns, selected and textured to blend the building into the landscape colors on its site as seen from off-site.

Roof designs should utilize gable ends, porches, balconies, and/or snow retention devices to protect walkways and driveways from snow shedding.

Dormers are to be used to give a large scale texture to roof forms and to avoid the appearance of wide, unbroken roof planes as seen from off-site. Dimensions of roofs, walls, windows and structural elements are to be proportioned to the size of the dormers

2.6 Colors

In general, the combination of colors used on the buildings should make them appear to be similar to, but darker than the natural colors found in the landscape. Accent colors should be used sparingly and should be selected from warm earth tone colors found in the landscape.

III. RESIDENTIAL INTERIOR QUALITY STANDARDS

The following outlines level of quality materials for interiors at residences:

3.1 Entries:

Stone or slate floors
Decorative rustic light fixture

3.2 Kitchens:

Granite counter tops
Stainless steel appliances (GE Monogram Series or better)
Alder cabinets with 3' - 6' high upper cabinets (upgrade options)
Stone, wood, or slate floors

3.3 Living / Dining Rooms:

Hardwood or stone floors
Exposed wood beams @ ceilings
Stone clad fireplaces and hearths

3.4 Bathrooms:

Stone or slate floors
Stone or simulated stone bathtub and shower surrounds
Granite counter tops
Kohler or better plumbing fixtures and faucets

3.5 Bedrooms:

Carpet or wood floors
Decorative wood beams in Master Bedrooms

3.6 Exterior Balconies and /or Terraces:

Minimum of 6' deep with wood decking at the upper level
Stone paving at Terraces on grade
Exterior decorative sconces or recessed incandescent lights where light source is screened from view